

 **DRAFT**

THE MEETING OF THE EDA BOARD HELD ON AUGUST 17TH, 2023 AT 5:30 P.M., AT THE PRINCETON CITY HALL COUNCIL CHAMBERS

The meeting was called to order at 5:30 P.M., by Carrie Petersen. Members present at City Hall were Victoria Hallin, Thom Walker, Sharon Sandberg, Joseph Vita, Erica Mattice, and Genny Reynolds- (Per zoom). Staff present were Stacy Marquardt (Comm. Dev. Planner) and Mary Lou DeWitt (Comm. Dev. Zoning Specialist).

OATH OF OFFICE:

Erica Mattice and Joseph Vita took the Oath of Office.

APPROVAL OF AGENDA:

HALLIN MOVED, SECOND BY WALKER, TO APPROVE THE AGENDA. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

APPROVAL OF MINUTES FROM THE EDA BOARD SPECIAL MEETING ON MAY 25TH, 2023

HALLIN MOVED, SECOND BY SANDBERG, TO APPROVE THE MINUTES OF THE SPECIAL MEETING ON MAY 25TH, 2023. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

BILLS AND COMMUNICATIONS:

A. Term length for new members

Erica Mattice and Joseph Vita were appointed by the City Council to the EDA Board on July 27th, 2023. The City Council said the EDA Board can determine with the term length for each to fill. One term ends December 31, 2028 and the other term ends December 31, 2026.

WALKER MOVED, SECOND BY HALLIN, FOR ERICA MATTICE TERM LENGTH WILL BE DECEMBER 31, 2028 AND JOSEPH VITA TERM LENGTH WILL BE DECEMBER 31, 2026. UPON THE VOTE, THERE WERE 7 AYES, 0 NAYS. MOTION CARRIED.

REPORTS: None

FORUM FOR IDEAS: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

A. Sherburne County and Mille Lacs County Economic Development

Jessica Barthel, Sherburne County Economic Development Coordinator started the presentation. Gregg Felber, Campaign Finance with Sherburne County was present also to answer questions.

Barthel said that all Economic Development activities within city limits, the County will take a second role as a supporting player. Sherburne County would like to be brought in the loop on subsidy applications if the City thinks a County application is forthcoming. This will enable us to align the Council and Commissioners meeting timelines to efficiently serve the business applicant.

Sherburne County Programs:

Tax Abatement: Sherburne County will consider providing Tax Abatement Financing (TAF) in order to stimulate economic development in the County. These applications are scored based on the level of economic impact the project will have in the County, amount of local investment created, jobs created, property tax impact, infrastructure brought in, and if the business relocated from outside the state. Based off the scoring system outlined in the policy, applicants will be awarded 100%, 75%, 50%, 25% or none of their abatement request.

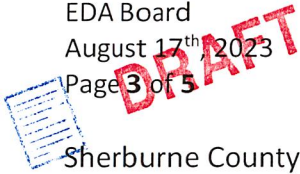
Sherburne County has ten active abatements, two are in Princeton: Inline Packaging LLC/Sandhill Holdings - \$26,338.92 and Biomatrix, Inc. - \$32,900.00

Tax Increment Financing: A number of Tax Increment Financing (TIF) Districts have been created within Sherburne County. TIF is a program which allows the increased property taxes generated by a development to pay for development costs.

Tax Increment Financing is not an additional tax. Tax Increment Financing does not affect the calculation of the tax amount. Rather, it affects the distribution of tax. The tax due is calculated the same as for a property that is not in a TIF District, but money that would normally go to the County, City, School District, and special taxing districts is instead diverted to a TIF District. The term period of the TIF Funding is agreed on for each application.

Revolving Loan Fund: Provides businesses with secondary direct loans, loan guarantees and other financial assistance. The eligible uses are; land & building acquisition, site improvements related to building acquisition or new construction, new building construction, building renovation & modernization, machinery, equipment & fixtures. Ineligible uses are; debt refinancing, working capital, residential real estate, taxes, professional fees, and gambling, religious, political, or adult/pornographic businesses. The loan funding can range from \$25,000 to \$100,000.

Sherburne County Business Lab: The Business Lab provides support to local startups and existing businesses. The Lab provides these services, at no cost to entrepreneurs in our community; startup coaching, business management coaching, succession plan coaching, website design bootcamps, peer learning roundtables, peer learning forum, curated workshop library, and curated podcast library. These are trained business coaches working with the party. She attends the Chamber meeting regularly and offers this to the businesses. The business does not have to be in Sherburne County, but they can use this lab if it impacts the county. There are 152 coaching sessions and 72 have used the lab, and 40 jobs have been created through it.



Sherburne County E.D.A. Strategic Plan: The Sherburne County Economic Strategic Plan was just approved. This is a five-year outline that will enhance the economic well-being of the community through efforts that entail job creation, business retention, property tax base enhancements, and quality of life improvement initiatives.

Strategic Plan Areas of Focus: Business Retention & Expansion, Workforce, Housing, Policy Review & Updates, Broadband, Childcare, Federal Regional Economic Development District Designation, Transportation, and Marketing. This is a five-year plan and it is posted on the website where you can view it. The County purchased a software that all economic positions can log in and look at the business retention and obtain information. Marquardt has been given the information to log into the site. If there are trends from businesses that data is put in the site. Since starting the program in April, they are touching 51 companies that have been in it.

Barthel said the meetings called Sherburne County Connect was started this past February and it is a monthly meeting. She invites township staff, city staff to join the county meetings and they can come either in person or virtual. This helps improve the communication and partnership between each organization.

Mattice commented that she has experience with the ARPA (American Rescue Plan Act). Does Sherburne County use that program.

Barthel said there are still dollars allocated and they have allocated for broadband projects.

Felber said the APRA funding is mostly for infrastructure. Such as making improvements to public safety. All funding is upfront. APRA is about to sunset and needs to be used by 2026. A township is building a new townhall with it.

Walker asked on the Tax Abatement Program if they come outside the county, does it make a difference where they are coming from.

Barthel said if they are coming from outside the county they are allocated. If bringing more jobs to the area will give them a better score.

There were no other questions for Barthel from the EDA Board. She thanked the EDA for having her.

Lainy Hoskins (Community & Organizational Development Manager) with Mille Lacs County gave her presentation next. Hoskins said she is new to the position in March. Her role is to plan and coordinate and promote business opportunities and community involvement. The tools they have available through the county are TIF (Tax Increment Finance), TAF (Tax Abatement Finance), MIF (Minnesota Investment Fund), and the Revolving Loan Fund will be coming in the future. All Economic Development projects inside of city limits, Mille Lacs County will be more of the support role and take second position.

Reynolds said they do have a Revolving Loan Fund, but it is established through the Initiative Foundation.

Hoskins said the resources they have available are: ECRDC (East Central Regional Development Commission), Initiative Foundation, Entrepreneur Fund, North Central Region Small Business Development Center, and MN DEED. Their future goal is marketing Mille Lacs County to attract businesses to develop in the county. Hoskins said she wants to get more involved in the local Chambers to meet with local businesses. She is introducing herself with businesses now. She is updating the county website and expanding training courses with SBDC to offer to businesses.

Hallin asked if Mille Lacs County has a Business Lab.

Hoskins said no. She is picking up on projects available and marketing is a big thing along with connections to businesses. There is Small Business training available. The county would like to market the natural resources like tourism. She has lived in Milaca all her life and is surprised how much there is for tourism.

Mattice said she owns a small business in Milaca and would like to see the programs available.

Hoskins said she will give Mattice her business card after the meeting and Mattice can contact her. She will look into Business Labs also.

B. Adopt Revised Revolving Loan Fund Policy

Marquardt informed the EDA Board that the State (DEED) required the City of Princeton to revise their RLF language to reflect the MIF statutes better. Since we recently had a business, Elemet Group was awarded a MIF Loan it was brought up that we need to update our RLF. The City Council adopted the revised Revolving Loan Fund Policy however, the EDA also would advise on the RLF requests.

Marquardt said Crystal Cabinets had been awarded the MIF Loan a few years back, and a portion stays at the city level and that portion funds the Revolving Loan Fund. Staff is currently going through the funds and matching them to what policies they are made for so they are to the right programs. Staff is close to having this done. Marquardt said the changes that have been made per State requirements are on the first page, the second paragraph is new, and on page 2, under Operating Goals, number 7, the EDA Board and City Council is added to the wordage.

Petersen said on page 11, it has the City of Ramsey and that needs to be corrected.

Marquardt will correct that wordage and the motion can be approved with that change. She will bring it back to the Council with that correction. She will also be looking at the funds



available with the Initiative Foundation and will bring information back to the EDA Board. They are their own organization.

Hallin asked on the Revolving Loan Fund that Mille Lacs County does not have one, but interested parties can go through the ECRDC.

Reynolds was accidentally disconnected from the Zoom meeting.

Marquardt said she believes they do not have a Revolving Loan Fund and go through ECRDC. She will verify that.

Walker commented if a company asked for two Revolving Loan Funds, that is a red flag. The ECRDC is a large group and consist of five different counties. There was an ECRDC Grant that the City received for the sidewalk on the north end town for safety of children walking to the schools. Jordan Zeller works with different businesses to help them with funding and will work with the Initiative Foundation and other organizations. He told Marquardt to contact Zellar with questions. He will be very helpful.

HALLIN MOVED, SECOND BY SANDBERG, TO APPROVE THE REVOLVING LOAN FUND POLICY REVISIONS WITH THE CHANGE ON PAGE 11, REPLACING THE WORDAGE OF CITY OF RAMSEY WITH CITY OF PRINCETON. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

HALLIN MOVED, SECOND BY SANDBERG, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 6:28 P.M.

ATTEST:

Carrie Petersen, President

Mary Lou DeWitt, Comm. Dev. Zoning Specialist